

**RETENTION DATE: August 1, 1998**

**TO: HEADS OF GOVERNMENT DEPARTMENTS, AGENCIES AND OTHERS CONCERNED**

**SUBJECT: Change in maximum amount for which certain payment instruments can be issued by Treasury Regional Financial Centers (RFCs).**

**1. PURPOSE**

This bulletin revises the maximum amount for which paper checks, Automated Clearing House (ACH) electronic payments, and Fedwire same-day electronic payments can be issued by Treasury RFCs. This bulletin supersedes I TFM 4-2020.40, dated September 7, 1988. ***NOTE: It is imperative that TFM users make a manual notation to I-4-2020.40, striking that paragraph and referencing paragraphs 3 and 4 of this bulletin. A comprehensive chapter revision is in progress as of the date of this bulletin.***

**2. BACKGROUND**

The development and implementation of new electronic processes has altered the capability of disbursement systems to handle large individual payment amounts. Consequently, the maximum amount for which individual payments may be made has been revised upward.

**3. MAXIMUM AMOUNT FOR WHICH PAYMENTS CAN BE ISSUED**

The maximum amount for which an individual payment can be issued depends on the type of payment instrument. Maximum individual payment amounts, for each payment instrument (paper check, Automated Clearing House (ACH) electronic payment, and Fedwire same day electronic payment), are as follows:

- a. **For Paper Check, with automated processing:** May be used for maximum individual payments of up to \$9,999,999.99, with certification via the Electronic Certification System (ECS) or paper SF-1166.
- b. **For Paper Check, with manual processing:** May be used for maximum individual payments of up to \$99,999,999.99, with voucher-schedule and certification submitted on paper SF-1166.
- c. **For Automated Clearing House (ACH) electronic payments, with automated processing:** May be used for maximum individual payments of up to \$99,999,999.99, with certification via the ECS.

d. **For Fedwire electronic payments, with electronic or manual processing:** May be used for maximum individual payments of up to \$999,999,999.99, with certification via the ECS or paper SF-1166.

#### 4. SELECTION OF PAYMENT INSTRUMENT FOR LARGE PAYMENTS

The Debt Collection Improvement Act of 1996 mandates the use of Direct Deposit for almost all Federal Government payments. ACH is the preferred mechanism for all payment amounts up to \$99,999,999.99, except for payments which must be made the same day. Fedwire is the preferred mechanism for same day payments. Agencies are strongly encouraged to schedule payments in advance whenever possible, to avoid having to use Fedwire. Both ACH and Fedwire payments can be certified to Treasury Regional Financial Centers (RFCs) via the ECS. Agencies are also strongly encouraged to weigh the administrative costs of Fedwire payments against interest charges for late payments, before scheduling relatively low dollar Fedwire payments.

In instances for which an agency has compelling reasons for requesting large dollar (\$10,000,000.00 or greater) payments to be made by check, the agency has the following 2 options:

- a. Break the obligation into **MULTIPLE** checks with individual amounts up to \$9,999,999.99. Certify via ECS.
- b. Certify one check up to \$99,999,999.99 via paper SF 1166, Voucher and Schedule of Payments (or multiple checks if the total obligation is greater than \$99,999,999.99).

#### 5. EFFECTIVE DATE

Immediately.

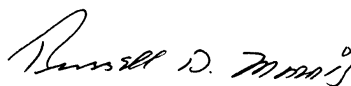
#### 6. INSTRUCTIONS

This bulletin supersedes I TFM 4-2020.40, dated September 7, 1988. Thus, subscribers must make a manual notation to I-4-2020.40, striking that paragraph and referencing paragraphs 3 and 4 of this bulletin.

#### 7. INQUIRIES

Questions concerning this bulletin should be directed to:

Disbursement Management Division  
Operations Directorate  
Financial Management Service  
Department of the Treasury  
401 14th Street SW.  
Washington, DC 20227  
(Telephone: 202-874-6800)



Date: August 1, 1997

Russell D. Morris  
Commissioner